if we want to reduce the gap in the receipts and the expenditure what is needed essentially is a political will. Do we have a political will to reduce it? In that case the whole budget structure and the idea of appropriating amounts from the Consolidated Fund of India would have taken completely a different picture, not the way it has been presented today. Why is the Government not willing to do that? Because this requires touching the monopolists, big business and perhaps they cannot overlook the pressure from abroad also. That is why the lending institutions from abroad are interested in these things to be done. Does it indicate the good health of our economy and the managers of that economy? That is my plain question which I put to the Finance Minister or his deputy who is present here. The export subsidy, if I am correct, is to the tune of Rs. 1650 crores and more but receipts do not come back. Mr. Yashwant Sinha, as the Finance Minister was on record saying that our outstanding export receipts are to the tune of one billion i.e. 26000 crores of rupees. Exports were made but the proceeds were not repatriated to our country. Have we taken note of it? We have got an institution, the Reserve ank of India. Is it playing a proper role for that? Then whatever exports are processed through the Reserve Bank of India and Customs, do we take care to see that the amount that is lying outstanding is coming back from abroad on account of the exports made? Why do you give subsidies to the exporters? A Bill is coming about this to introduce foreign currency bonds. In this way this money which is not being repatriated out of the gain from the exports will come in the nature of deposits from a non-resident Indian who will pass on that money to India and that will be allowed to be a normal tax-free deposit in the assets of the particular individual. This will be coming in crores. That is why I have mentioned about it. That Bill perhaps is coming up tomorrow.

To raise the Central funds, is it necessary that the States' allotments or the States' claims should be curtailed?

The Centre should help the States more rather than go on curtailing the allocation. What has happened is, there is replacement of cess by royalty. Who has been affected? States like Bihar, Assam, Madhya Pradesh, West Bengal have been affected because of this change from cess to royalty. Is there any manoeuvrability for those States to have more revenue out of those resources that are available under the ground there? No, that has been curtailed. More than that what we need for the Centre to understand is that if the States become weaker financially, if they are not in a position to develop, I draw the attention to what Shri Shankar Dayal Singh said a little earlier that if the capital is to build up as a big edifice and the ground around is not there, will the edifice remain?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Mr. Sen, you will please continue tomorrow.

6.00 P. M.

STATEMENT BY MINISTER

Recognition by the Government to the three Baltic States of Estonia, Latvia and Lithuania

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI EDUARDO FALEIRO): Sir, Honourable Members will recall that the New Union Treaty of USSR that was intended to be signed on the 20th August, 1991, had envisaged that the constituent Republics of USSR would sovereign States. The New Treaty could not be signed due to the attempted coup in that country on the 19th August, 1991.

On the 6th September 1991, the USSR State Council, the highest

[Shri Eduardo Falerio]

interim executive authority of the Soviet Union, passed a resolution officially recognising the independence of the three Baltic States of Estonia, Latvia and Lithuania.

The three Baltic States have been recognised by a large number of countries, including all the European Community countries, all the EFTA countries, USA, Canada, Australia, New Zealand, Japan, China, all the East European countries except Yugoslavia and Albania. and a number of nonaligned and other developing countries, including Argentina, Venezuela, Brazil, Egypt, Afghanistan, Bangladesh and Singapore.

Government of India's policy on the recognition of States is well established. It stiplates that the costitutionnal procedures required for the declaration of sovereignty should be proper and irrecovable, and that the governments concerned should be in effective control of the territory. In the case of the three Baltic States, these conditions were adequately fulfilled.

In view of the above and in view of the fact that the emergence of Estonia, Latvia and Lithuania as independent sovereign States is the outcome of peaceful negotiations and mutual agreement among all concerned and has been recognised by the USSR State Council, the Government of India announced on the 7th September, 1991 that it welcomed the entry of Estonia, Latvia and Lithuania into the comity of independent States and recognised them as such. Prime Minister also sent messages to the Presidents of the three States conveying this decision and his felicitations.

[The Vice-Chaimarn (Shri Shankar Dayal Singh] in the Chair.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Now, the carifications.

श्री राघव जी (मध्य प्रदेश) : उपसभाध्यक्ष महोदय,, यह जो रिकागनिशन दिया है, यह विदेश में दिया गया है जब कि पार्लियामेंट सेशन में है। भारत की धरती पर यह रिकागनिशन नहीं दिया गया है, पार्लियामेंट में नहीं दिया गया है। . . .

उपसभाध्यक्ष (श्री शंकर दयाल सिंह): क्लेरिफिकेशन में आप यह पूछ सकते हैं . . . श्री गुरुदास दासगुप्ता।

SHRI GURUDAS DAS GUPTA (West Bengal): There is no reason why I should say that I am unhappy because the Government of India has recognised the three Baltic States. The recognition of the three Baltic States by the Government of India is a recognition of reality and it is a recognition of the changes that have taken place in the Soviet Union. Therefore, the changes should be taken into consideration and the changes should lead each one of us to change our own position. These three States have declared their independence and the Soviet Union has recognised their independence because these States were part of the Soviet Union. The Soviet Union itself has recognised them to be independent, and since a large number of countries in the world recognised them, I do not know why India should not give recognition. Therefore, I should say, that I support this recognition. While supporting this recognition, I have one thing in mind that this declaration by the Government of India, accepting these countries as independent countries, was made by the Prime Minister outside the country. And this policy statement was made when the Parliament was in session. Therefore, it would have been in keeping with the highest Parliamentary traditions if this announcement was made in Parliament itself. This is normally what is done and is generally done. Why was it not done, I don't know. Therefore, to me, it is a Parliamentary impropriety. I would like the Minister to kindly say as to why it should be

done, why it had to be done in Germany. We are recognising these three States because these three States are really independent. We are recognising their independence not to appease anybody. India is recognising the Baltic States as independent States not to appease Germany, not to appease America, not to appease any other country. It is in continuation of our policy. It is a part of our policy to accept the reality, as it exists. And we did it. Therefore, that is quite all right. To accept the reality as a matter of reality is one thing. But to do in a different country and to give an impression that it is being done to appease somebody is definitely derogative. This is not in keeping with the high traditions of this country. I want India to accept reality. But I don't want India to compromise on its principles. We have discussed about the events in the Soviet Union and we have discussed about our reactions to it on the opening day of the session. The Minister of State for External Affairs is here and he has given the statement on independence of these three States. Independence of these three States is a part of the changes that had taken place. Therefore, I would like to know from the Minister as to what is the reaction of the Government of India because these changes will have a far-reaching reaction and a far-reaching implication so far as the relationship between the Soviet Union and India is concerned. Soviet Union had stood by India at the time of its trials and tribulations. It was because of Soviet Union that we could wriggle out of serious crises on a number of occassions. Therefore, I would like to know the implications of the change. If you have really studied the implications, in what way are we going to make ourselves prepared for the changes, so far as the economy, military strength and our position in the international arena and our problem with Pakistan are concerned? It is more important for us to take stock of the situation and take preventive action so that these changes do not put India in a very unenviable position. I would like to know whether the Government has really studied this aspect. Also, taking this opportunity, I would like to know whether it is true—I do not want to single out a particular person nor do I want to single out the behaviour of the Indian Embassy during a particular period of time—that the Indian Embassy in Moscow did not act with judiciousness. The Indian Embassy has failed to fulfil its responsibility on a number of occasions. It has also failed to report the situation to the Indian Government promptly. Is it true? I am not speaking of the developments that took place on the 19th and 20th of August.

SHRI SYED SIBTEY RAZI (Uttar Pradesh): I have a point of order. It has been the tradition of the House that whatever questions are asked by way of clarifications these should be within the purview of the statement which is made. No questions should be asked outside the points given in the statement.

SHRI GURUDAS DAS GUPTA: It is for the Chair to interpret.

SHRI SYED SIBTEY RAZI: The Chair has the right to overrule my point of order. The high traditions of the House should be preserved.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): I am not overruling. I only request Shri Gurudas Das Gupta to conclude now.

SHRI GURUDAS DAS GUPTA: The recognition of the Baltic States arises out of a series of changes that have taken place in the Soviet Union. It is not an isolated event. Therefore, my point is, during all this period of change, whether our Embassy in Moscow had acted properly?

SHRI SHABBIR AHMAD SALARIA (Jammu and Kashmir): Mr. Vice-Chairman, Sir, in regard to the statement of the hon. Minister on the recognition of the States of Estonia, Latvia and Lithuania, I would like to

[Shri Shabbir Ahmad Salaria]

seek four clarifications from the hon. Minister.

Firstly, I would like to know, whether, taking into account the circumstances which have led to the splitting up of the USSR, and the fact that we have, in India, so many States having different languages, cultures and nationalities, the Government would consider taking some measures which would save our nation from such a disaster? As you know, the Sarkaria Commission, in order to meet such a contingency, such a situation, and to meet the demands of the different States of India, has made certain suggestions.

[**The Vice-Chairman (Shri Bhaskar Annaji Masodkar**] in the Chair.

The question is whether we are going to learn a lesson from the developments in the USSR and see that the States in India are given more powers? Will there be a redistribution of powers between the Centre and the States so that it does not lead to a situation...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): What is your question? Please put the question.

SHRI SHABBIR AHMAD SALARIA: Secondly, there are other States in the USSR which have also declared Independent. The statement is silent on this. I would like to know, what is the reaction of the Government of India to their declaration? It is a different question that some of these States may enter into some treaty regarding their economic and military relationship. But in regard to the other States which have also declared their Independence, what is the stand of the Government? What is the reaction?

Thirdly, in the matter of giving recognition to the other States, other than the three States referred to the statement, would the Govern ment of India await the outcome the negotiations which are going between the various States whi constituted the U.S.S.R., or, the G vernment would accept their declar tion as independent States?

Lastly, I would like to know wh ther the Government has delayed t recognition of these States? What a the reasons which led to so much delay in recognising these thr States.

Thank you.

श्री जगदीश प्रसाद माथुर (उत्त प्रदेश) : श्रीमन्, रूस में लोकतंत्र आ रहा है, इसका मेरे दल ने स्वागत किया उसके टूटने से हमें दुःख जरूर है, लेकि जब उन्होंने स्वेच्छा से दोनों पक्षों ने स्वीकार किया है तो हमारा तीनों बाल्टिक राज्यों को मान्यता देना उचित ही था मैं इसका स्वागत करता हूं । लेकिन दो प्रोपराइटी के विषय मंत्री जी के सामने रखना चाहूंगा । मेरे मित्र ने अभी कहा कि ऐसी कौन सी अति शीघ्रता थी कि संसद के सत्र के चालू होते समय भी यह घोषणा विदेश में, बाहर, की गई ? दूसरा प्रश्न मेरा यह है कि क्या इसकी पुष्टि बकायदा कैबिनेट में की है क्योंकि इस प्रकार के निर्णय कैबिनेट के डिसीजन तो होते ही हैं ?

मुझे संदेह इसलिए हो रहा है क्योंकि प्रधानमंत्री महोदय, विदेश में, बाहर थे और कैबिनेट की बैठक इसलिए शायद नहीं हो सकती थी । मैं जानना चाहता हूं कि क्या घोषणा से पूर्व कैबिनेट का फैसला हो गया था और यदि नहीं हुआ था तो इसकी पुष्टि कब की गई है ?

दूसरा, इनको मान्यता दे दी, हम इनके साथ डिप्लोमैटिक रिलेशंस पूरे तौर से कब स्थापित करेंगे ? क्या हम अपने अम्बेसडर को वहां भेजेंगे अथवा वर्तमान में हमने मान्यता दे दी है और मास्को में जो हमारा प्रतिनिधि है, वही उनके साथ भी सम्पर्क रखेंगे, इसका खुलासा होना चाहिए ?

तीसरा, क्या प्रधानमंत्री महोदय की घोषणा के दौरान या घोषणा से पूर्व या घोषणा के पश्चात् वहां रूस के नेताओं से और इन तीनों देशों के नेताओं से कोई सम्पर्क स्थापित हुआ था या नहीं हुआ था? और यदि हुआ था तो किन सीमाओं तक हम उनके साथ संबंध रखेंगे, इसका भी खुलासा होना चाहिए।

चौथा, युगोस्लाविया और रोमानिया जो कि साम्यवादी देश हैं, उन्होंने इनको मान्यता नहीं दी है। मैं यह भी प्रकाश डालना चाहूंगा कि क्या कारण है कि इन देशों ने मान्यता नहीं दी और अंतिम प्रश्न मेरा यह है कि तीनों देश, जो कि बाल्टिक राज्य हैं, इनका जो ढांचा है वह साम्यवादी ही रहेगा अथवा जैसा परिवर्तन रूस में आया है, वैसे ही परिवर्तन की हमें अपेक्षा है? क्योंकि अलग हो गए और हमने सोचे समझे बिना कि यहां पर लोकतंत्र आ रहा है अथवा साम्यवादी अवशेष है, हमने मान्यता दी है तो वहां के ढांचे के बारे में भी हमें उत्तर दें?

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, the statement clearly demonstrates to the world that ethnic right is one among the fundamental rights of human beings in any federation.

Any Government on earth, how much power they might have, cannot enslave a nation for ever. The integrity and unity of a country cannot be kept strong and intact either by the letter of the Constitution or by the arms and ammunitions, unless and otherwise the federal Government is ready to respect the feelings of the people of federating units and prepared to treat all the languages and culture alike. It is a warning to the other federal countries existing now in the globe. No race or language can be dominated by the big brother attitude of any particular ethnic group, how much big they may be in a country.

We are very happy that the Government of India recognises the Baltic States even though belatedly. However, it reminds me of a proverb: Better late than never.

Why didn't the Government of India help the Baltic people when they fought for freedom? Why did the Government of India apply two different yardsticks, one for African and Asian countries and the other for the Baltic countries? Did the Government of India wait for the recognition by the USA or did the Government of India think that this was one among the internal matters of USSR?

In November 1990 the Indo-Soviet Trade Pact for 1991 was signed. The pact envisages an increase in trade turnover to Rs. 9411 crores.

In changed circumstances I fear that this calculation may not materialise. I request the hon. Minister to look into the consequences carefully in the economic arena.

With these words, I conclude.

SHRI V. NARAYANASAMY (Pondicherry): Mr. Vice-Chairman, Sir, I welcome the decision of the Government of India. And I thank the Prime Minister for having announced it immediately after the Council recognised these three Baltic States. Even from abroad the Prime Minister was able to give the message that the Government is recognizing these three States. India has got very good relations with the USSR in trade and commerce, science and technology and culturally also. Now I would like to know from the honourable Minister what will be the impact of the recognition of these three States by the Government of India on the agreements entered into by the Government of India with the USSR.

Secondly, Sir, from the European countries, Prime Minister John Major of the U.K. went to the USSR, met President Gorbachev and wanted to know first-hand information about the political developments taking

[Shri V. Narayanasamy]

place in the USSR. In this connection I would like to know whether the External Affairs Minister or any other Minister is going to Russia to further strengthen our ties with the USSR and, especially, with the three Baltic States, because now we have to further develop our bonds of friendship with the USSR because of the changed political situation there.

Sir, as I have already stated, the relations between our two countries are from time immemorial, and the people of the USSR have always considered Indians as their own brothers and sisters. Now I have seen from the press reports that there is a serious economic crisis in the USSR. When we were in need, the USSR helped us as its own brothers and sisters and therefore I want to know whether the Government of India has any plans, within the Indian means, to support the USSR and also these three Baltic States when they are having an economic crisis now.

Thank you, Sir.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Dr. Sivaji.

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Sivaji:

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): It should be Sivaji, is it? That reminds me of Chhatrapati Shivaji, not Dr. Sivaji!

DR. YELAMANCHILI SIVAJI: But without any *chhatra*! Sir, during the short span of the singularly unfortunate but mercifully short ouster of the Soviet President, Mikhail Gorbachev, the remarks of the Indian Prime Minister were not in good taste, and on this point I would like to add that neither the External Affairs Ministry sitting in the South Block nor our Embassy in Moscow have brought any credit to themselves in this diplomatic episode. The reason is, both are still programmed so to say, to the so-called knee-jerk reaction where the Soviet Union is concerned. Sir, their time-worn and outdated perceptions display a dangerous complacency in the face of fast-changing world relations. Unless these perceptions are discarded and a new, pragmatic orientation is incorporated in our foreign policy in consonance with the developments in the new world order, we will be exposed to more diplomatic embarrassments of this type hereafter and I hope that the people sitting in the South Block may take proper precautions in this regard.

Sir, we have the Indo-Soviet Treaty of 25 years, which was renewed twice. As per the Indo-Soviet Treaty, we are exporting and importing too. Now-a-days the exports are more when compared to the imports. To match them, during the present budget there is a technical credit to the tune of more than Rs. 1,800 crores to the Soviet Union. What happens to that credit and what is the interest component of that and how is it divisible among the Baltic States and other States? I would like to know about this from the honourable Minister. Then, Sir, there is a rupee payment agreement with the Soviet Union. Hereafter, with so many States liberating themselves, I am afraid there is a possibility that for our imports from the Soviet Union like crude, fertilizers, newsprint and heavy machinery, we will have to pay through our nose from hard currency in the form of dollars. At the same time, our exports, whatever they are, our agro-based exports like tobacco or cotton or cashew kernels and other things, are exposed to stiff competition in the USSR market. What steps does the Government want to take in this regard?

Sir, is there any proposal to redraft the trade protocol between the USSR as well as...

SHRI RAJ MOHAN GANDHI (Uttar Pradesh): Are we discussing Indo-Soviet trade?

DR. YELAMANCHILI SIVAJI: Yes, why not?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): What is the fall-out of this? Probably that is the thing.

DR. YELAMANCHILI SIVAJI: Sir, is there any proposal to redraft the Indo-Soviet trade protocol in view of the changed circumstances in the Soviet Union?

There is a warning in the newspapers today from Mr. Yeltsin that if some aid is not extended from the developing countries and from the western countries to the USSR, there is imminent danger of facing another coup or another revolution in the Soviet Union. In that regard what steps did the Soviet people take to avert that situation or at least to sense that situation?

Is there any proposal from the Government side to send a team of experts to go round the USSR to observe, to have an on-the-spot study of the fast changing situation in the USSR, in its several States?

I would like to seek these clarifications from the hon. Minister.

SHRI KAPIL VERMA (Uttar Pradesh): Sir, I join my colleagues here in welcoming the recognition of these three Baltic States. In fact, a historic wrong committed by Marshal Stalin 40, 50 years ago, in 1941, in annexing forcibly these three Baltic States under the impact of Hitler has been undone. So, they have come back, they have returned to the comity of nations, independent nations. I welcome that. Particularly I welcome, I admire the sagacity and wisdom of the Soviet leaders that they have themselves passed a resolution in the State Council, agreeing to the demand of these three States, to their demand for independence. In fact, in principle Mr. Gorbachev had agreed to it even before the coup, but at the same time he had said that there should be a five-year transition period. Now, after the coup, things have shaped on their own and the demand has been accepted.

Sir, I would also say that probably the recognition on our part also has not come a day too early. Probably we had to be cautious because we have very good relations, a very special type of relations with the Soviet Union, and probably we did not want raw nerves to be touched. Even the Americans were very cautious. You might have seen, you might have noticed that they took a lot of time in recognising them. Even the Baltic States did not want any confrontation. So, even they have agreed to have some type of security presence of Soviet in their own States. Although they have refused to have an economic treaty, an economic union with them, they want direct trade relations with Moscow.

In any case, Sir, I would like to know from the Government what type, what level of diplomatic relations it will have, whether it will have a Consul-General, whether it will have separate ambassadors in all these three States, whether there will be a common ambassador for all of them and when diplomatic relations are going to be established.

As I was mentioning, I want to know the reasons for the timing of the announcement of the recognition. Though I have given my own feelings, I want to know from the Government itself what the reasons are for the timing of the announcement of the recognition.

Sir, you imagine the fall out of this recognition of the Baltic States and other changes in Soviet Union on our defence supplies. We will have certain problems with the Soviet Union in the sense that we depend on the Soviet Union entirely, almost entirely, maybe 75 per cent or

[Shr Kapil Verma]

more, for our defence supplies, equipment, spare parts and other things, and we will have problem under the changed conditions. The entire environment has changed. So, we are naturally anxious to know whether we will be receiving the defence supplies in time. I was in Latvia, the Riga recently. I know that this is not the time for me to talk about it but I would like the Minister to tell me and assure me that all the defence supplies, the spares and vital parts of machines would come to us without any problem. I want to know from the Minister what talks he had there and other Ministers also. Recently one more Minister has visited Moscow. So, what will be the position of our defence supplies because of the changed security environment For every defence requirement, we depend on the Soviet Union.

Regarding the rupee-rouble agreement, that is another important problem. May I know from the Minister whether they are demanding hard currency for the defence supplies? It would be difficult for us to pay for everything in hard currency. May I know from the Minister whether any political dialogue is going on between us and the Soviet Union in view of these changes in Baltic States and certain other things? May I know what is the attitude of Boris Yeltsin towards us? May I know from the Minister whether he is going to send a renewed invitation to the Foreign Minister of that country to visit our country again so that all these problems which I have mentioned can be sorted out? Thank you.

SHRI M. S. GURUPADASWAMY (Uttar Pradesh): Mr. Vice-Chairman, Sir, the previous speakers have covered my ground and they have made my task very easy. Sir, international relations should be based upon peace, freedom and equality of nations. We in India know the significance and the sanctity of freedom of a nation. The 15th August is a very important date for us because we g independence on that date. We ce brate that event. I say this ju to emphasise how important it is f the people to be independent. The three Baltic States which enjoy freedom and sovereignty lost the freedom and sovereignty because a treaty by two outside powers. Tl treaty was signed by Ribbentrop c behalf of Germany and Molotov c behalf of the Soviet Union in 194] All along the people of these thre States were never reconciled to th new servility. They were weak The world community could not d anything. But for the cataclysmi changes which were witnessed in th Soviet Union and the new enlighten ed policy pursued by Mikhail Gor bachov and Yeltsin. The independ ence of these States, perhaps, woul have remained still a distant dream Fortunately, there were tremendou changes in the Soviet Union recently That triggered the independence o these three States. But for thes events in the Soviet Union, perhaps the independence of these State would have been postponed further. anyway, we, in India, are happy that there is emebergence of three new independent States and that they are coming to the comity of nations. Most of the nations have recognised their independence. It is a pity that for the first time, India has recognised their independence from foreign soil. That point has been made out by our colleagues here. It should not have been done at all. Recognition should spring from India and India only. And when Parliament is in Session, it should have been announced in Parliament itself. I do not know why these democratic tradtions, norms and practices are not followed by the External Ministry. I am not raising the issue whether a decision was taken by the Cabinet or not. I am not raising that issue at all. Finally, there is nothing to discuss. This is a happy occasion when we have to share our hapiness with the people of these three countries. I am sure that diplomatic relations will be es-

tablished soon. I am sure of that. There need not be any doubt on that. At what level and all that are matters of detail and the External Affairs Ministry will go by their assessment and appreciation of the realities and the need. Therefore, this should not cause us any concern. I only say that these three Baltic States do require a lot of assistance from various sources for their development. They have suffered a lost Therefore, they require assistance and cooperation from all sides. We in India sympathise with them and we support them. At the same time, we appreciate the steps taken by the Soviet Union in giving recognitin to these three Baltic States. Thank you.

SHRI S. K. T. RAMACHANDRAN (Tamil Nadu): Sir, the recognition of the three Baltic States, former members of the erstwhile USSR, is to be welcomed. But, Sir, under the present conditions and in the present world scenario, I want to know from the Minister whether non-alignment policy is having any meaning. So long as there were two super powers, non-alignment policy was having a meaning. Under the present circumstances, is there going to be any change in this policy or is the *status quo* in regard to this policy is to be maintained? Then, Sir, this disintegration of USSR has got much impact on the economic situation of the whole world. We were also having so much of trade relationship with them. Now, as Communism has proved a failure and Socialism is also becoming a big question mark, will there be any change in our economic policy? So far, we are following the policy of mixed economy. Will there be any impact on that also?

Then Sir, I have a doubt. The coup was there on 19th August, 1991. Immediately after the coup, the Government of India made no comments on that. Only after the coup was defeated, we made some comments. why were we silent first, at that time? Was it helpful to us in any way?

Are we going to make any detailed study on the causes for such disintgration? It is not because USSR was a friendly country to us. It is because India is also a federal country. So such a detailed study of the causes that led to disintegration wil be helpful for our future guidance. (*Interruptions*)

SHRI S. VIDUTHALAI VIRUMBI:**

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Virumbi Ji, you cannot ask it. Nothing will go on record. It can't be between the two. (*Interruptions*).

SHRI ASHIS SEN (West Bengal): Sir, thank you for giving me the opportunity to speak. I rise not to raise any debate or any dispute on the question of recognition being given to the three Baltic States of Estonia, Latvia and Lithuania.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): I think there is a total consensus on that.

SHRI ASHIS SEN: On my behalf and on behalf of my party I want to say and perhaps, I will be echoing the sentiments of the entire House which have been injured that when Parliament is in Session, the Prime Minister announced the grant of recognition from a foreign land when within a few hours of thot announcement, he was to be back in the land of our country. It was on 7th September, 1991 and today is 9th September, 1991 and in between, there was a Sunday. It would have been in conformity with the norms and traditions had the announment if recognition been made here. My only question is, has it been proper on the part of the Prime Minister to do so when Parliament in in Session? I want to ask this much only. Thank you.

**Not recorded.

श्री राम नरेश यादव (उत्तर प्रदेश) : महोदय, भारत की विदेश नीति का आधार उसका दर्शन रहा है और वह दर्शन सह-अस्तित्व और दूसरे के आंतरिक मामलों में हस्तक्षेप न करने की नीति रही है । इस पर हमेशा भारत कायम रहा है ।

महोदय, भारत और रूस का संबंध भी बहुत पुराना ही रहा है और पिछले दिनों राजीव गांधी जी के नेतृत्व में वह मैत्री सम्बन्ध बहुत प्रगाढ़ हुआ । फिर, विदेश नीति के संबंध में भी नीतिगत मामलों में कुछ और वृद्धि की गई थी ।

महोदय, पिछले दिनों रूस में एक परिवर्तन की लहर विशेष रूप से लोकतंत्र में आने की जो एक छटपटाहट थी, देखी गई । जिस तरह से वहां पर एक बार कुछ लोगों ने तख्ता पलटने की कोशिश की और फिर 72 घंटे के अंदर गोर्बाचेव की वापसी हुई और उसके पश्चात् गोर्बाचेव के नेतृत्व में जो छोटे-छोटे राज्य थे उनको मान्यता दी । मैं समझता हूं कि उन्होंने इस तरह लोकतंत्र के आधार को और भी सुदृढ़ करने का काम किया है । इसके लिए वे बहुत-बहुत बधाई के पात्र हैं । साथ ही साथ जिस आधार पर यह जो बाल्टिक राज्यों को स्वीकृति मिली है एक राष्ट्र के रूप में, मैं ऐसा समझता हूं कि जब 6 तारीख को सोवियत समाजवादी गणतंत्र संघ की राज्य परिषद् ने जो सर्वोच्च अंतरिम कार्यकारी परिषद् है उसने मान्यता दे दी और फिर और भी दूसरे राष्ट्रों ने दी तो भारत जैसे इतने विशाल लोकतांत्रिक प्रणाली में पलने वाले देश ने अगर 7 को कहीं भी दे दी, लेकिन, प्रधान मंत्री ने जिस तत्परता के साथ उसको मान्यता देने का काम किया है उसके लिए माननीय प्रधान मंत्री जी बधाई के पात्र हैं और उन तीनों राष्ट्रों के नागरिक भी बधाई के पात्र हैं । इसलिए इस समय मैं यह जानना चाहता हूं कि जब मान्यता उनको मिल गई है, राष्ट्रपति को संदेश भेजकर प्रधान मंत्री ने अवगत करा दिया है, तो मैं जानना चाहता हूं कि आगे जो स्वीकार करने के जो मान्यता प्रस्तुत करने के बाद सारे संबंध और सारे कार्यक्रम आगे बढ़ाने होते हैं, वह कितने दिनों में सारे पूरे कर लिए जायेंगे । ऐसा मैं माननीय मंत्री जी से जानना चाहता हूं ।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Dr. Vijaya Mohan Reddy; not here. Dr. Narreddy Thulasi Reddy. You are sleeping probably.

DR. NARREDDY THULASI REDDY (Andhra Pradesh): No, Sir. My first clarification is this. There is a substantial delay in recognising the Baltic States. It clearly indicates that there is no clear-cut foreign policy of this Government. There is a wait-and-see policy. What are the reasons for this delay in recognition? The second point is, already there was a delay. The Prime Minister had announces on 7th and he came back to India on 8th. When there was already a delay, where was the urgency for declaring it from a foreign land. The third point is: there any impact on this on our defence, on our commerce? My fourth point is What will happen to the Indo-Soviet Treaty? Then the fifth point is: When will the diplomatic relations start and what will be the level and status?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): I take it that the whole house is one in congratulating the Government and the people of the Baltic States for achieving this free and sovereign status...

SHRI RAJ MOHAN GANDHI: Sir, one sentence only...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Do you want to seek a clarification?

SHRI RAJ MOHAN GANDHI: Yes, Sir.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Let me complete first. I am just re-

cording the congratulations. So I take it that we send our congratulations and and felicitations through the External Affairs Ministry to the Governments and the people of the Baltic States for achievement of the free and sovereign status on their own. Yes, Mr. Gandhi.

श्री जगदीश प्रसाद माथुर : महोदय, यह भी कहिए जो अ जेक्शन है... (व्यवधान)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Let us not go in a debating manner. ... (*Interruptions*) ...Where there is a consensus, we can...

SHRI RAJ MOHAN GANDHI: Will the hon. Minister let us know whether in the recent past, in the last few weeks or months, any Indian diplomatic officials were able to visit the capitals of these newly independent Baltic countries?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Now, Mr. Minister, you have to convey the sense of the House.

THE MINISTER OF STATE IN THE MINISTRY OF EXTENAL AFFAIRS (SHRI EDUARDO FALEIRO): Thank you very much, Mr. Vice-Chairman, and hon. Members for having conveyed the sense of the House. I thank the hon. Members for appreciating the Government's gesture in recognising the three Baltic republics. Sir, if I may take up the points which have been made, the first point is a mixed point really. We have Dr. Thulasi Reddy complaining of a substantial delay in recognising the Baltic republics. We have others saying that it was a bit too early and that we could have waited for some time more. I would like to clarify this, Sir, with your permission. Sir, I made a statement earlier in the other House and I want to make it very clear here in this House that the recognition was announced from the Indian soil on the 7th and not from Germany. Sir, the position is as follows: On 7th the official spokesman of the Government of India released a press statement and disseminated in the press on the 7th itself and the statement was carried by PTI and UNI and also by Doordarshan and All India Radio announcing the decision of the Government to recognise these three republics. It was also there in the briefing of the official spokesman. I want to make it clear—I have now checked the facts since I intervened in the other House—that the recognition was announced from India by the official spokesman which was carried by all the official agencies and perhaps the other media on the 7th itself.

SHRI GURUDAS DAS GUPTA: What prevented you from making an announcement in either of the two Houses earlier?

SHRI EDUARDO FALEIRO: I am coming to that in a moment. Now, I will come to the press statement, Sir. In the press statement issued on the 7th Government of India has welcomed the resolution passed by the State Council of the Soviet Union on September 6, 1991, granting independence to the three Baltic States—Lithuania, Estonia and Latvia. It states that "it is a matter of satisfaction to India that this issue has been resolved in a peaceful and amicable manner with the agreement of all the parties concerned. India welcomes the entry of Lithuania, Estonia and Latvia into the comity of independent states and recognises them as such. The Prime Minister has sent messages to the Presidents of the three states conveying this decision and his felicitations. A statement on the subject will be made in Parliament in its very next sitting." Therefore, it is very clear that the Parliament and the sovereignty of this House and the other House was very much in mind.

Now, I must say why it was done on Saturday and why we did not wait

[Shri Eduardo Faleiro]

till Monday. Sir, the events in the Soviet Union are moving at such a tremendous pace that the reaction has to be very quick. Now, a large number of countries have recognised these three republics. By Monday 11 o'clock more than two-and-a-half days would have passed after the recognition of the independence of these countries and the Soviet Union and other countries would not be able to understand immediately our own intricacies that we were waiting for the Parliament to meet. They would think what has happened to India and why they are not recognising them. Therefore, to avoid that, this statement was made and at the earliest opportunity, we have come before the House to convey this and to submit this to the House. Sir, I would like to make a little more clear the other side of the problem, which Dr. Thulasi Reddy has mentioned; it is the other way round. He said, 'why have we delayed?" Now, the position is as follows: we have not delayed anything. We have come at the earliest possible and correct opportunity. The Government policy on the recognition of the states is well-established and clear. In each case, the Constitutional procedures required for declaration of sovereignty should be proper and irrevocable and the Government concerned should be in effctive control of its territory. This I have mentioned in my original statement. Now, what I am adding for the clarification of the hon. Members of the House is the following: 'This is the decision taken by the USSR Government on 6th September, 1991.' These conditions stand fulfilled because it is how they take it. This is clearly reflected in the reference above to the USSR that the USSR itself is going to co-sponsor the membership of the three Baltic Republics to the United Nations. In view of our decision to recognise the Baltic Republics our PR in New York has been instructed to support the membership application of these countries. Sir, it is very clear and I am stating the obvious when I say that the Government of India will surely have established diplomatic relations with these three republics. Now the details, as Shri Gurupadaswamy has rightly pointed out, of timing and modalities have to be worked out with these republics. I would like the House to understand in the context of the situaion in Soviet Union, specifically in the context of the remarks made regarding our Embassy in Moscow, that with so many internal preoccupations of the Soviet leadership, access to the leadership becomes rather difficult and in monitoring the situation as at the present moment, I think, our Embassy has done a rather commendable job. A point has been very rightly raised on our different agreements with the Soviet Union on the economic field, defence field, and so on. I would like to make these observations on that. First, the Congress of People's Deputies, which is now the legislative organ of the Soviet Union, resolved on 5th September 1991 that during the transitional period—that is, now—until the Union Treaty comes into force, all international accords and obligations should be strictly observed. That will apply to the international accords and obligations of the Soviet Union with us. On the Indo-Soviet Treaty I would like to say this: The Indo-Soviet Treaty formally stands extended for five years; because it was not repealed, automatically it became extended by five years. While both sides have taken a decision to extend it for a further period of twenty years, this agretmtnt requires the signing of a formal protocol which will be signed as and when the situation crystallises. On the question of defence we would not like to speculate on the problem of procuring defence supplies from the USSR in future just as we would not like to speculate on the problem of other supplies. We are in touch; with regard to all essential supplies the problems are being addressed on case by case basis. Now, as and when the Republics come into existence, the Government will conduct its rela-

tions with the USSR and its constituent Republics in accordance with the provisions of the new Union Treaty which is expected to be signed in the near future. Sir, I think this broadly covers all aspects of the matter...

SHRI KAPIL VERMA: What about the rupee-rouble tie-up?

SHRI EDUARDO FALEIRO: The rupee agreement with the USSR was extended last year for a further period of five years, that is, up to the end of December, 1995. The Congress of People's Deputies resolved on 5th September 1991, *inter alia*, to strictly observe during the period of transition all international agreements as well as foreign economic obligations. We have no formal indication that the Soviet side wishes to change its rupee payment arrangement. It may be borne in mind that the arrangement functioned effectively for the last three decades and more to mutual benefit. Both countries continue to avail of free foreign exchange which is the reason why we should have the present arrangement going. We are having a continual dialogue with the Soviet Union. In view of some muted criticism—I appreciate the muteness of the criticism—on the reactions to the developments in the Soviet Union I would like to say that the honourable Prime Minister has received a letter on August 28, 1991 from President Gorbachev and if I may quote here, President Gorbachev has expressed his gratitude to our Prime Minister for the firm stand that the leadership of India and the Prime Minister personally, have taken in regard to the putsch. "We consider this as a manifestation of the commitment of your country...."—that is, India—"....to the democratic values and as a convincing illustration of the strength of friendship between our two peoples." "I take this opportunity", President Gorbachev added, "to convey my best wishes to you, dear Prime Minister, and to all the Indian people."

SHRI V. NARAYANASAMY: What about the Foreign Minister's visit to the USSR?

SHRI EDUARDO FALEIRO: We have noted the suggestion of the honourable Member that a high-level delegation should go to the USSR. We have noted it.

SHRI KAPIL VERMA: Are you renewing the invitation to the Foreign Minister of the USSR?

SHRI EDUARDO FALEIRO: We are noting all these things. I can say we will be happy to have the Foreign Minister of the Soviet Union here. We recently had the President of Uzbekistan and we signed some agreements with him also. But it depends upon their convenitnce. They are in so many preoccupations, so many day-to-day commitments at home and in the neighbouring regions. It is really left to them.

SHRI RAJ MOHAN GANDHI: Did any Indian diplomats visit the Baltic States?

SHRI EDUARDO FALEIRO: They will. When the situation permits they will go everywhere. As I have mentioned, the situation in the Soviet Union is extremely difficult. Things are not normal. Things are abnormal. Therefore, we are doing all that is possible to do in this very difficult and abnormal situation. I would like the honourable Member to understand this in the context of the dramatic changes that the Soviet Union experiences.

7.00 P.M.

SHRI S. K. T. RAMACHANDRAN: Have you established diplomatic contacts with these three Baltic States?

SHRI EDUARDO FALEIRO: As I have already said, these States were recognised by us on the 7th. It was a Constitutional procedure and this I have completed. I assure the House that diplomatic relations would be

[Shri Eduardo Faleiro]

established after holding consultations with them. Their convenience is the primary consideration here.

SHRI S. K. T. RAMACHANDRAN: My question regarding the economic and foreign policy changes in the present scenario has not been answered.

SHRI EDUARDO FALEIRO: We are looking into this aspect. The changes in the foreign policy that may be required are being continuously monitored. This is obvious because of the enormous dimensions of the events that are taking place in the Soviet Union. On matters like Defence and economic matters, they are left to the respective Ministries as they are the substantive Ministries dealing with these matters. We are dealing only with the broader framework. I suppose, I have basically covered most of the issues. Once again I would like to thank the Members.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You may convey the sense of the House. Now, the House stands adjourned till 11 a.m. tomorrow.

The House then adjourned at two minutes past seven of the clock till eleven of the clock on Tuesday, the 10th September, 1991.